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14 Oct

NSC BRIEFING

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THIS DRAFT OVERTAKEN BY LATER INFORMATION

12 October 1954

INDOCHINA

I. In South Vietnam, actions of Chief of Staff Hinh continue to imperil government, but some signs Hinh losing ground.

A. Hinh threatened to stage coup morning 11 October; although not done then, Vietnamese officials fear hotheads under Hinh may attempt coup any time.

B. In earlier show of force (9 October), Hinh sent two armored cars to Diem's office, threatened guards. Later, one of premier's guard officers seized and beaten.

II. However, anti-government coalition shows signs of breaking up.

A. Binh Xuyen gangster organization will ING to ditch allies Generals Hinh and Xuan, make "separate peace" with government.

B. Binh Xuyen terms are that title of "Ministry" be conferred on police force (which Binh Xuyen already controls), army be kept out of government, and Binh Xuyen get youth ministry--Hinh's chief objective.

C. French urge Diem meet these demands.

D. Diem inclined to accept.

E. Move would strengthen Bao Dai-Diem axis, tend to isolate Hinh, but might tend to force Diem into figurehead role.

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DIA review(s) completed.

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III. French profess to support Diem but still seek solution based on concessions by Diem to armed elements of no national repute.

A. French rejection of Diem's choice for Interior Minister, Phan Huy Quat, based partly on ground Quat is northerner.

B. Policy of building government around Cochinchina warlords tends to diminish national appeal of free Vietnam.

C. Ely apparently believes Hinh has right to impose conditions on government.

D. US Army Attaché reports some French elements still seeking discredit policy of backing Diem.

E. French press service continues anti-Diem bias.

IV. Developments elsewhere in Indochina generally helpful to Communists.

A. Viet Minh occupation of Hanoi (9 October) well planned, smoothly executed. Popular demonstration reflects both firm Viet Minh organization and genuine enthusiasm, although Viet Minh making no effort disguise Communist affiliation.

B. In Laos, wobbly government preventing vigorous political campaign against Communists.

C. In Cambodia, government undergoing attack of "Nehru-itis," partly as result neutralist advice of French, British and Indians.

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